

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING  
HELD THURSDAY, NOVEMBER 16, 2017 AT 2:00 P.M. IN THE ECUA BOARD  
ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK,  
PENSACOLA, FL**

**Members present:** Lois Benson, Chairman  
Dale Perkins, Vice Chairman  
Vicki Campbell  
Elvin McCorvey  
Larry Walker

**Counsel present:** Bradley S. Odom

**Staff present:** Steve Sorrell, Executive Director  
Nathalie Bowers, Public Information Officer  
Daniel Corliss, Assistant Director of Water Production  
Tim Haag, Director of Government Affairs  
Sharon Harrell, Executive Assistant  
Linda Iversen, Executive Assistant to the Board  
Bill Johnson, Director of Engineering  
Brian Reid, Assistant Director of Regional Services  
Jim Roberts, Public Information Officer  
Patty Sheldon, Director of Finance  
Justin Smith, Assistant Director of Finance

**ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE**

Prior to calling the regular meeting of the Board to order, Mr. Perkins provided the invocation and led the Pledge of Allegiance.

**ITEM 2 – CALL TO ORDER**

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:31 p.m.

**ITEM 3 – ADOPTION OF AGENDA**

Ms. Campbell added the topic of “lobbyist” to the agenda.

Dr. Walker added the topic of “disabilities council” to the agenda.

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the agenda as presented and amended. Motion carried 5-0.

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**ITEM 4 - PUBLIC HEARINGS:**

None.

**ITEM 5 – OPEN FORUM**

There were no comments from the audience.

**ITEM 6 - PRESENTATIONS**

None.

**ITEM 7 - APPROVAL OF MINUTES**

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of October 26, 2017 as presented. Motion carried 5-0.

**ITEM 8 - OPERATIONAL ITEMS:**

(a) **Adoption of Resolution 17-16**

Mr. Duane Draper, representing ECUA's bond counsel of Bryant, Miller and Olive, addressed the Board outlining the purpose and benefits of the bond issue. Mr. Draper also spoke to the impact of actions recently taken by the Federal Government regarding the Tax Bill.

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to adopt Resolution 17-16 - A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$40,085,000 EMERALD COAST UTILITIES AUTHORITY UTILITY SYSTEM REVENUE NOTE, SERIES 2017, TO FINANCE AND/OR REIMBURSE THE COST OF THE DESIGN, PERMITTING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO THE SYSTEM, PROVIDING FOR THE PAYMENT OF SUCH NOTE FROM THE PLEDGED REVENUES ON PARITY WITH CERTAIN OBLIGATIONS HERETOFORE ISSUED BY THE AUTHORITY; PROVIDING FOR THE SALE AND APPROVAL OF THE FORM OF SUCH NOTE; APPOINTING A PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2017 NOTE; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

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Dr. Walker requested that staff prepare a presentation for the Board and Committee on what ECUA's capital improvement financial outlook will be in two-three years. Chairman Benson referred this topic to the Committee.

Chairman Benson called for a recess at approximately 2:46 p.m. with the meeting being reconvened at approximately 3:03 p.m.

**(b) Adoption of Resolution 17-17**

Mr. Perkins expressed his concerns regarding the charges for the FSE Discharge Permit, indicating he hopes that staff will review those charges prior to the final approval of the associated resolution next month.

Mr. Sorrell advised that the FDEP charges ECUA a minimum of \$500 each time there is a sanitary sewer overflow and that fats, oils and grease are the biggest cause for the overflows.

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt Resolution 17-17- A RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING PROPOSED REVISIONS TO THE FATS, OILS, AND GREASE PROGRAM. Motion carried 4-1 with Mr. Perkins voting against the motion.

**(c) Adoption of Resolution 17-18**

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt Resolution 17-18 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF REVISED RESIDENTIAL SANITATION SERVICE CHARGES IN SANTA ROSA COUNTY, FLORIDA AS WELL AS THE TOWN OF JAY, FLORIDA, with the presented revised Exhibit "A". Motion carried 5-0.

**(d) Budget amendment – fiscal year end 2017-all funds**

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the following budget amendment in the not-to-exceed amounts for the Water and Wastewater Systems, the Sanitation System, and the Materials Recycling Facility for fiscal year 2017. Motion carried 5-0.

Sources:

Water and Wastewater System	
Monthly Charges-Water	\$ (221,910)

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Monthly Charges-Wastewater	619,960
Impact Fees	1,283,280
Other Revenues	2,674,825
<b>Sanitation System</b>	
Escambia Sanitation	1,168,430
Santa Rosa Sanitation	287,045
Composting	(400,000)
Other Income	146,140
<b>Materials Recycling</b>	
Recycling Revenue	541,085

**Uses:**

<b>Water and Wastewater System</b>	
Operating Expenditures	1,044,295
CIP Project Funds	57,100
Project Contingency	3,254,760
<b>Sanitation System</b>	
Escambia Operating Expenditures	2,839,350
Santa Rosa Operating Expenditures	2,013,115
Unrestricted Reserves – Escambia	(717,590)
Interfund Loan – Escambia	(1,924,780)
Interfund Loan – Santa Rosa	(1,008,480)
<b>Materials Recycling</b>	
Unrestricted Reserves	541,085

(e) Annual rental contract-diesel by-pass pumps and storage tanks

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the optional one-year extension of the current contract to rent and use additional diesel bypass pumps and liquid storage (FRAC) tanks with Rain For Rent, Inc., at a proposed total cost of approximately \$125,000, with funding from CIP Project RS728K – Annual L/S Mechanical Needs. The duration of the contract will be for one year at the same cost and terms as the current contract. Motion carried 5-0.

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(f) Annual service contract-entrance roads and trees for lift station sites and ECUA easements

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the optional one-year extension of the current contract for entrance roads and trees for ECUA lift station and easement sites with HHH Construction of NW Florida, Inc., at a projected total cost of \$175,000, with funding as follows: \$75,000 from CIP Project RS849E – L/S Codes & Standards for the Lift Stations and \$100,000 from CIP Project CA515 - Easements/Access Maintenance for Regional Services. The duration of the contract will be for one year at the same cost and terms as the current contract. Motion carried 5-0.

(g) Sole source purchase-Alk-AQUIT® and Bioxide® Plus 71

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the optional renewal of the current contract for one year with Evoqua Water Technologies for the purchase of Alk-AQUIT® and Bioxide® Plus 71 for \$1.61 and \$3.80 per gallon, respectively, with funding from the appropriate budget line item. The duration of the contract will be for one year. Motion carried 5-0.

(h) Award of bid – bagged hydrated lime

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the award of a one-year contract for bagged hydrated lime to Lhoist North America, the lowest responsive bidder at a price of \$314.15 per ton, with an estimated annual cost of \$534,055.00, with funding from the appropriate budget line item, with two optional one-year extensions of the contract with no price increase upon mutual agreement of both parties. Motion carried 5-0.

(i) Award of bid – timber sale

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to award the contract for timber harvest activities (timber sale) from Stand 3 of the CWRP property to Ziebach & Webb Timber Company, the high bidder based on volume estimates from Southern Forestry Consultants. Motion carried 5-0.

(j) Award of bid – fuelwood clear-cut activities

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to award the contract for clear-cut activities for harvest of fuelwood from Stand 1 on the CWRP property to Fincher Timber of Wilmer, AL, the only bidder based on volume estimates from Southern Forestry Consultants. Motion carried 5-0.

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(k) Award of bid – East Shore Drive lift station (No. 36) replacement

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to award the contract for the East Shore Drive lift station (No. 36) replacement project to Utility Service Company, Inc., Gulf Breeze, Florida, the low bidder, in the total amount of \$522,066.85, with funding from CIP Project RS121P, through a transfer of \$550,000.00 from CIP Project RS121 to RS121P. Motion carried 5-0.

(l) Award of bid – Pensacola Beach reclaimed water pump station

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to reject all bids for the Pensacola Beach Reclaimed Water Booster Pump Station. Motion carried 5-0.

(m) Award of bid – Blue Angel force main replacement

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to (1) affirmatively find that Murphy Pipeline Contractors: (a) acted in good faith in submitting its bid; (b) made an error of such magnitude that enforcement would cause it severe hardship; (c) the error was not the result of gross negligence or willful inattention; and (d) the error was promptly discovered and communicated to ECUA prior to its acceptance and the awarding of the contract; (2) grant Murphy's request that it be allowed to withdraw its bid; and (3) award the contract for Blue Angel Force Main Replacement to Utility Service Co., the lowest remaining qualified bidder, for the base bid in the amount of \$1,152,520.65, with funding provided by a transfer in the amount of \$1,270,000.00 from CIP Project RI700-Inflow and Infiltration to newly created CIP Project RS733A-Blue Angel Force Main Replacement. Motion carried 5-0.

(n) Award of bid – Bay North isolation valve relocation

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to award the contract for Bay North Isolation Valve Relocation to Utility Service Co., Inc., the lowest bidder, for the Value Engineered base bid in the amount of \$353,385.15 with funding from CIP Project CR410 - Pensacola Bay Bridge Utility Relocation plus a transfer in the amount of \$60,000.00 from CIP Project CR405 - General Utility Relocates. Motion carried 5-0.

(o) Zero Waste request to defer mixed paper payment

Mr. Mark Buntjer, 2464 Merritt Place, Livermore, CA, representing

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Zero Waste Operations, explained the reasons for the request from Zero Waste to defer payment, stating that China has stopped the import of mixed paper.

Discussion was held concerning whether this could be a situation of Force Majeure, with Dr. Walker indicating he felt it seemed like Force Majeure. Mr. Odom indicated that in discussions with Zero Waste Counsel, they are not of the opinion that this is a Force Majeure event as the event is defined in the contract.

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to reject ZWE's request to defer payment to ECUA for mixed paper until the market for that commodity improves. Motion carried 4-1 with Dr. Walker voting against the motion.

A motion was made by Dr. Walker to table the staff recommendation for 30 days. *Motion died for lack of a second.*

(p) Residential sanitation truck replacement lease program

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to waive normal bidding requirements and approve the lease-purchase of: (a) four Peterbilt chassis with Rotopac automated side-loader bodies, and two Dennis Eagle chassis with New Way rear-loader bodies from the National Auto Fleet Group of Watsonville, CA, for a total price of \$1,505,040.00, with pricing based on the National Joint Powers Alliance (NJPA) competitive bid; and (b) four Autocar chassis with Am Rep side-loader bodies from Chastangs Bayou City Autocar of Houston, TX, for a total cost of \$1,244,000.00, with pricing based on the competitively bid State of Texas BuyBoard bid contract, and authorize staff to negotiate the terms of and enter into a seven-year lease-purchase of these vehicles with funding from the Sanitation Budget. Motion carried 5-0.

ITEM 9 - INFORMATIONAL REPORTS

None.

ITEM 10 - EXECUTIVE DIRECTOR'S REPORT

The following report was presented for information only and did not require action.

- (a) Notification of Emergency Purchase – Taskmaster® grinder for lift station No. 4 (12<sup>th</sup> Avenue)

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Mr. Sorrell also provided an update on the status of the Guillemard tank project and the Pensacola Beach tank project. Mr. Sorrell also informed the Board that the FDEP is going to issue the Northwest District 2017 Environmental Stewardship Award on December 7, and staff has made application for that award.

**ITEM 11 - ATTORNEY'S REPORT**

Mr. Odom advised that regarding the Guillemard tank case, the plaintiffs involved have appealed the denial of injunction.

Mr. Odom also provided an update on the Innerarity Island water Project, stating that it will be coming to an end in February 2018. Further, the wastewater portion of the project is being evaluated with the County and staff will be bringing the issue to the Board in the future.

Responding to Ms. Campbell, Mr. Odom stated that staff and legal is trying to reach an agreement on Creekwood private lift station and he developed language that is acceptable to the County Attorney.

**ITEM 12 - UNFINISHED BUSINESS**

None.

**ITEM 13 - NEW BUSINESS**

(a) **Lobbyist** (Campbell)

Ms. Campbell indicated she has talked with a number of individuals that have indicated that ECUA is leaving money on the table with the State because we do not have a lobbyist. Further, she would like to work with staff on finding someone to bring to ECUA.

Chairman Benson stated that she feels the method that the Board has utilized in the past is efficient and successful and that she would prefer to continue this method rather than pay a lobbyist, perhaps even considering a small stipend for Board members in their efforts to lobby when needed.

Mr. Perkins indicated his concurrence with Chairman Benson's comments, stating that he would not want to spend the ratepayer's money for a lobbyist.

Ms. Campbell commented that perhaps a grant writer is what ECUA needs.



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Chairman Benson stated perhaps this conversation should be started with the staff.

(b) MRF status (Walker)

Dr. Walker asked for information about how close the MRF is to full capacity, how many more users might we be able to service, and what is the situation with regard to major potential sources of additional major recyclers here in Escambia County?

Mr. Sorrell advised that the MRF is permitted to operate at 55,000 tons max and we are getting relatively close – 40,000 to 44,000 tons. There is considerable interest, and it is matter of how much material each new customer would provide. There are other suppliers, and we are getting a lot of requests, but we cannot exceed the stated max.

(c) Disabilities Council (Walker)

Dr. Walker indicated that Mr. Warren Jernigan has asked him to inform the Board that his agency will be bringing the issue of ECUA garbage cans on sidewalks before the Board as a violation of the ADA.

Mr. Sorrell asked that Dr. Walker have Mr. Jernigan contact staff to discuss this issue as this is not something that ECUA normally does.

Mr. Perkins suggested that perhaps an instruction label placed on the cans informing customers as to proper placement would help the situation.

ITEM 14 - BOARD COMMUNICATIONS

Chairman Benson advised of an live art project on Palafox Street at which the ECUA water towers were being drawn. Chairman Benson encouraged everyone to take a look at the project.

Mr. McCorvey stated that ECUA's Mr. Jim Roberts should be commended for his efforts and his appearance on Channel 3 speaking to the issue of the FOG program.

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**ITEM 15 – ADJOURNMENT**

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Benson declared the meeting adjourned at approximately 4:28 p.m.

Respectfully submitted,



Stephen E. Sorrell  
Executive Director and  
Secretary

APPROVED BY THE ECUA BOARD  
IN REGULAR SESSION ON 12/14/17.

- (X) Without corrections/amendments.
- ( ) With corrections/amendments being: